



## **Bridging the Gap (Manchester) Ethical Fundraising Policy & Procedure**

Registered Charity Number: 1170952

This document sets out the policy and procedures of Bridging the Gap (Manchester) (BTG) in relation to ethical fundraising. This policy has been informed by guidance from the Charity Commission, as well as best practice from the fundraising sector. It will be reviewed every two years or more frequently as legislation, guidance from official bodies or industry best practice changes. This will ensure that this policy is current and fit for purpose.

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## 1. Purpose of the Policy

The purpose of this policy document is to: -

- broadly define a set of principles and processes that can be used to evaluate how to respond to challenging funding opportunities
- act as a framework to guide Bridging the Gap's (BTG) fundraising activity and to ensure that its fundraising is transparent, ethical and responsible. In so doing, to guard against funding relationships that do not indirectly support activities that do not align with BTG's mission
- ensure due diligence and minimise the risk to BTG and its partners
- protect BTG's reputation, by supporting decision-making on funding opportunities
- provide guidance on the types of companies, funders and fundraising events that BTG will, or will not, be associated with whilst pursuing fundraising to support the delivery of its mission.

## 2. Policy Statement

Bridging the Gap (Manchester) (BTG) is a registered charity and relies on income from fundraising to secure its business activities. It must ensure that by undertaking fundraising activities it upholds any legal, statutory or regulatory requirements, and maintains its reputation and adherence to its mission and values.

BTG will not knowingly apply to, or accept funding from companies, organisations or individuals who are directly involved in activities that run contrary to our overall aims and charitable purposes.

## 3. Definitions

**Ethics** are a set of moral principles. Similar concepts include morality, virtue, honour, decency, integrity, righteousness, principles, trustworthiness and incorruptibility. Ethics relate to fundraising when BTG seeks or receives a donation that could conflict with the moral principles that the organisation is governed by.

**Sponsorship** is where a business provides money in order to secure the marketing and promotion of its business name, products, services or image. Sponsorship may also include the giving of services or goods for the same in return.

A **donation** is a gift for which no direct benefit is sought. A donation may take various forms including cash, services or goods and can be from an individual or an organisation. A donor's name or list of donors may be on display or included in publicity if BTG chooses to do so, by way of thanks. It must be made clear to the donor that any decision to display or include the donor's name is at the sole discretion of BTG.

BTG is entitled to claim Gift Aid on donations from individuals where a Gift Aid Declaration is made that confirms that the individual is tax resident in the UK and has paid tax during the period in which the donation is made. Donations are not subject to VAT.

A **grant** is cash given to an individual or an organisation for a specific purpose. There is an obligation to fulfil any criteria the funding body may place upon the grant i.e. to ensure the project that is funded satisfies that body's aims and objectives and proceeds as outlined during the grant application process.

Funding bodies usually require some level of profile in return for their grant and this should be in proportion to the size of grant and agreed in writing before accepting the grant. This is usually in the form of a logo or line credit with agreed wording in publicity. Grants should always be documented in some form of written agreement between the parties.

#### 4. Funding Criteria

BTG will only accept funds if they meet the following criteria: -

- **Benefit:** there are strong grounds for believing it will result in benefit to BTG. The benefit sought should be viewed as good value for the level of support given and the resource required to secure it.
- **Integrity:** the company, organisation, partnership or activity will not bring BTG into disrepute, damage our reputation or integrity, or be likely to result in loss of income.
- **Strategic fit:** partnerships, activities and the objectives of companies or organisations BTG works with, must not contradict BTG's mission, aims and objectives.
- **Independence:** donations, partnerships or activities must not compromise our independent status.
- **Influence:** there is no attempt on the part of the partner, donor, company or organisation to influence our policy or actions either explicitly or implicitly.
- **Legality:** partnerships, activities and the wider business activities of partner companies or organisations must be, as far as we can ascertain, wholly legal under applicable law.
- **Codes of Practice:** acceptance of donations, partnerships and activities must comply with the Fundraising Regulator Code of Fundraising Practice and the Fundraising Promise.
- **Standards:** the partnership, company or organisation and activity must meet any appropriate and associated national or international standards, and abide by any relevant regulations.

#### 5. The Role of Trustees

BTG's trustees are aware of and will comply with Charity Commission guidance CC3a, regarding trustees responsibilities, particularly in relation to always acting in the charity's best interests and managing any conflicts of interest. The trustees are also aware of and follow the six principles of 'Charity Fundraising: a guide to trustees' duties', as follows: -

1. **Plan effectively** - setout, agree and monitor your approach to fundraising
2. **Supervise fundraisers** - establish a system to oversee both your fundraising methods and any fundraising carried out on behalf of BTG
3. **Comply with fundraising law and regulations** - in areas such as data protection and licensing laws
4. **Protect BTG's reputation and assets** - make sure there is strong management of your assets and resources
5. **Follow recognised standards** - the Code of Fundraising Practice outlines the legal rules that apply to fundraising
6. **Be open and accountable** - make sure BTG is well run and that there is compliance with the statutory accounting and reporting requirements.

We will ensure that everyone is aware of, and consistently complies with, the Fundraising Regulator guidance on fundraising behaviours and responds promptly and effectively to any fundraising complaints.

In addition trustees: -

- will not be influenced by personal moral perspectives or judgements, or derive any personal benefit from funding to the charity
- trustees will declare all conflicts of interest where these exist.

## 6. Consideration of Opportunities

Some companies, organisations or donors require special consideration before funding can be accepted from them.

Funders that may be considered contentious should be discussed with the Trustee Board before being approached.

Examples include funders that: -

- may have unethical practices with regard to the manufacture of their products e.g. animal welfare, human rights
- promote or are involved in tobacco, pornography, weaponry or similar activities
- is in financial or legal conflict with BTG
- does not uphold the same values of BTG's Equality & Diversity Policy
- make a donation anonymously, through an intermediary who is not prepared to identify the donor to anyone at BTG
- has acted, or is believed to have acted, illegally in the acquisition of funds
- a persons connected to the donation is under criminal investigations

The above list is not exhaustive and BTG retains the right to decline funding from any funder, which in its sole discretion considers is inappropriate or a risk to its reputation.

### Vulnerable Donors

In seeking donations, if an individual shows signs of possible vulnerability, BTG:

- will not place any undue pressure on individuals to donate
- will not either solicit nor accept donations from anyone whom we know, or think may not be competent to make their own decisions
- ensure that BTG is sensitive to any particular need that a donor may have.

## **7. Authority to Proceed**

All gifts (including sponsorships) should be channelled through the Project Manager and on to the Board of Trustees to ensure they are documented and handled in line with this policy and procedure.

Gifts can only be accepted providing that appropriate authority for approval has been secured. The approval thresholds for accepting funding gifts are as follows: -

Project Managers - up to £5,000

Trustee Board - above £5,000

## **8. Transparency**

BTG will ensure that it is well run and that there is compliance with the statutory accounting and reporting requirements. BTG will be transparent in its financial reporting and annual reports with regards to its fundraising activities, substantial donors and financial risk management.

Operating with openness and transparency allows donors and volunteers to see exactly how their contributions are being used, building confidence in BTG. This ensures that BTG is more likely to secure continued support, as people feel reassured that their efforts are making a real difference.

BTG will demonstrate transparency through: -

- regular and detailed communication with donors. This could be in the form of newsletters, annual reports, or updates on social media. By sharing stories of how donations are being used and what impact they are having
- an independent, annual review by an auditing expert to provide an unbiased assessment of the charity's financial health and operational practices. The audit should identify any discrepancies and provide reassurance that the BTG is operating responsibly and ethically

- seeking active feedback from supporters and donors to strengthen relationships and demonstrate that BTG values its supporters' opinions
- seeking active feedback from clients to demonstrate BTG's impact and challenges.

## 9. Due Diligence

BTG needs to know the source of funds to ensure it complies with this policy. Due diligence and information gathering will be undertaken, as required, on donors/ funders. If the potential funding is from a source whose activities are included on BTG's 'Consideration of Opportunities' lists then the information gathered will be reviewed with the Board of Trustees. [How to carry out due diligence on funders](#)

Trustees will make the decision to accept or refuse the funding, taking account of all relevant information. The decision needs to be made objectively and solely from the perspective of what is in the best interests of BTG. [Charity Commission Checklist for Trustees](#)

Where the outcome of a decision is to refuse to accept funding , then a copy of the notes regarding this decision should be kept on file. In such circumstances, and when appropriate, BTG will share this policy with the relevant companies, organisations or individuals.

BTG must be accountable for funding decisions to its stakeholders – this includes being accountable both when we accept and when we reject funding opportunities. As a registered charity, the Charity Commission requires our Trustees to, at all times, be acting in the best interests of the charity. If any funding is refused then BTG's Trustees must be able to demonstrate that the decision was made purely on the basis of what is in the best interests of the charity, and that no personal bias was involved in the decision-making process.

### Funding from Statutory Bodies and Charitable Trusts

Donations and grants from charitable foundations registered with the regulatory authorities in the UK, North America and European Foundation Centre (EFC) affiliated organisations will not normally be subject to an ethical review unless their activities fall under the Caution List.

For the United Kingdom this means charities regulated and scrutinised by the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, and the Charity Commission for Northern Ireland. For the United States of America this means tax exempt, non-profit corporations or associations recognised under section 501(c) regulated and scrutinised by the Internal Revenue Service (IRS) and the relevant state Attorney General. For Canada this means charities regulated and scrutinised by the Canada Revenue Agency (CRA). In the absence of any equivalent regulatory framework covering Europe, the EFC has openly published its principles of good practice to which all affiliated organisations have to adhere.

Where there are any potential areas of risks associated with any founder or trustee of any organisation seeking to offer funds to our organisation, BTG reserves the right to refuse any such funding, which contravenes our values in line with this policy.

We recognise that occasionally trusts are set up with the express purpose of making an otherwise unethical company seem more ethical and responsible through positive advertising, known as 'the greenwash effect'. Under such circumstances, the guiding principle of this policy prevails, that is: in general, BTG would not knowingly accept money from a charitable trust whose activities run contrary to our aims.

We recognise that statutory bodies are not necessarily ethical just by virtue of being statutory bodies. In recognition of this, we attempt to promote good practice by disseminating our methods and where appropriate we will ask for ethical policies from the bodies we are involved with.

### Partnerships

BTG aims to work in partnership with individuals and organisations that are working towards the same or similar aims. It also aims to work with individuals and organisations who may have not considered the issues raised in this document, but who are willing to listen and possibly change their practices through dialogue with BTG.

BTG will not work in partnership with any individual or organisation, either company, statutory, voluntary or community-based, whose activities are directly contrary to our aims. In this context, partnership means any work that BTG does whereby the responsibility for the end result of that work is jointly owned between BTG and another individual or group.

BTG recognises that its partners may receive funding from organisations or individuals whose activities run contrary to our aims. In such circumstances, BTG will share this policy with its partner and strive to ensure that the partnership is not directly related to, or publicly associated with, the partner's funded activities.

## **10: Process for Managing Corporate Sponsorship**

Before a sponsorship can be secured, the following steps must be undertaken: -

**Research:** businesses approached should be researched to ensure a best fit in line with this policy

**Valuation:** benefits to be offered to a sponsor must be valued to ensure proposals are fair and reasonably priced

**Benefits:** all crediting & branding permitted must be agreed in advance based on the valuation

**Invoicing:** full payment should be received before the activity sponsored takes place

**Contracting:** all sponsorships over £1,000 should be documented with a written contract

**Evaluation:** sponsors should be provided with an evaluation demonstrating return on investment after the activity

**Review:** sponsors should not be contracted for longer than 3 years without consideration of whether the partnership still presents best value for BTG.

Additionally, all sponsorship is classed as 'unrestricted income', unless specific agreements are made beforehand as to the purpose of the expenditure. All sponsorships should be recorded within BTG's financial accounting system (Xero).

## **11. Process for Managing Donations & Grants**

When a donation or a grant is received, staff or the Board Chair or Treasurer should ensure the following actions are taken: -

- Clarify what the donation or grant is to be spent on and whether the monies should be treated as unrestricted or restricted funds
- Document the gift and log any relevant details agreed either in BTG's 'Donations Book' (held by the Warehouse Manager) or on the 'Cash Grants/Donations tracker' (held by Project Managers), such as: -
  - ❖ how gift is to be managed
  - ❖ what activity/ies donation is to fund
  - ❖ the protocols for making any changes to the activity supported
  - ❖ the payment schedule
- Thank the funder
- Ensure that benefits of significant financial value are not given that will conflict with this policy or significantly off-set the value of the gift
- If the gift is being made by a UK resident tax payer, undertake full documentation for possible Gift Aid claim purposes
- Ensure the funder receives appropriate feedback reports in line with any agreements made.

## **12. Data Protection**

BTG will administer all fundraising in line with its Data Protection Policy.

Funders will never be given direct access to mailing lists or data held by BTG, unless it has the express permission of the data subject.

All funders have a right to request access to their data and may obtain this by contacting BTG's Data Protection Officer via email:

[jennifer@manchestersouthcentral.foodbank.org.uk](mailto:jennifer@manchestersouthcentral.foodbank.org.uk)

BTG acknowledges the donor's right to privacy and will uphold the values of the Fundraising Regulator's Fundraising Promise.

Should any funder or donor wish to make a complaint about BTG's fundraising, then they may do so under our 'Complaints and Compliments Policy'.

### **13. Gift Aid**

BTG will seek to maximise all donations by claiming gift aid from HMRC wherever possible.

Donors will be asked for a gift aid declaration, which will be stored on BTG's secure fundraising platforms. Claims will be made to HMRC in line with the requirements of current legislation.

### **14. Use of Agencies & Third Parties**

On occasion, BTG may work with third parties, sponsorship agencies, consultants and partners in our fundraising activities. Where such parties are engaged, they must also adhere to this policy. The use of their services must be communicated to prospective donors and the value of their use must be assessed.

### **15. External Reference Materials:**

<https://www.fundraisingregulator.org.uk/code-of-fundraising-practice/>

<https://www.gov.uk/government/publications/charities-and-fundraising-cc20/charities-and-fundraising>

[https://assets.publishing.service.gov.uk/media/5a8017bbe5274a2e8ab4e242/CC20\\_Key\\_fundraising\\_principles\\_for\\_trustees.pdf](https://assets.publishing.service.gov.uk/media/5a8017bbe5274a2e8ab4e242/CC20_Key_fundraising_principles_for_trustees.pdf)

<https://assets.publishing.service.gov.uk/media/5a7c891440f0b62aff6c25aa/rs2text.pdf>

[https://assets.publishing.service.gov.uk/media/648c3ab5b32b9e000ca968c3/Supplier\\_Code\\_of\\_Conduct\\_v3.pdf](https://assets.publishing.service.gov.uk/media/648c3ab5b32b9e000ca968c3/Supplier_Code_of_Conduct_v3.pdf)

[https://ciof.org.uk/loF/media/IOF/Policy/iof-acceptance-refusal-and-return-a-practical-guide-to-dealing-with-donations-\(5\).pdf?ext=.pdf](https://ciof.org.uk/loF/media/IOF/Policy/iof-acceptance-refusal-and-return-a-practical-guide-to-dealing-with-donations-(5).pdf?ext=.pdf)

[Charity ethical principles | NCVO](#)

[Ethical fundraising - how to conduct due diligence on potential donors\\_0.pdf](#)

[CC20 Taking responsibility for our charity's fundraising: a checklist for trustees](#)